

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2259

Introduced by Assembly Member Ammiano

February 24, 2012

An act to amend ~~Section 66451~~ of Sections 53395.8 and 53395.81 of the Government Code, relating to ~~land use~~ infrastructure financing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2259, as amended, Ammiano. ~~Subdivision Map Act. Infrastructure financing districts: America's Cup and waterfront district venues.~~

Existing law authorizes the City and County of San Francisco to create infrastructure financing districts, including districts that include specified waterfront property, adopt infrastructure financing plans for those districts, and issue bonds financed by projected increases in ad valorem property taxes to fund certain public facilities, pursuant to a specified procedure.

With respect to the infrastructure financing district provisions that relate specifically to the City and County of San Francisco and waterfront districts, this bill would modify the definition of key terms and authorize a waterfront district to finance improvements to protect against potential sea level rise. The bill would modify provisions relating to the ordinance establishing the base year for the district and would specify the base year of land annexed into a district. In the event the district requests an affected tax entity to subordinate the amount to be paid to the entity, the bill would provide that the affected taxing entity may disapprove a request for subordination only if there will be insufficient tax increment funds.

Existing law authorizes the adoption of infrastructure financing plans for special waterfront districts that include the waterfront area in the City and County of San Francisco designated as the America's Cup venues, and the use of specified tax revenues produced in the districts for the construction of the Port of San Francisco's maritime facilities at Pier 27, improvement of publicly held waterfront lands used as viewing sites, and other matters, subject to specified allocation procedures. Existing law requires the county board of supervisors to submit a fiscal analysis to the California Infrastructure and Economic Development Bank for review and approval before adopting the resolution authorizing the issuance of debt pursuant to these provisions.

The bill would delete the requirement that the board of supervisors submit a fiscal analysis to the California Infrastructure and Economic Development Bank for review and approval, in addition to other related provisions.

Existing law requires that, with respect to the special waterfront district Education Revenue Augmentation Fund (ERAF) share produced in a Port America's Cup district with a special waterfront district enhanced financing, 20% of that amount be set aside to finance costs of specified improvements to federally or state-owned waterfront lands approved by trustee agencies.

The bill would provide that the ERAF share of set-aside funds be used to finance costs of planning, design, and acquisition and construction of improvements to publicly owned waterfront lands owned by federal, state, or San Francisco local department trustee agencies. The bill would impose new requirements and grant certain exceptions in the event any portion of the set-aside funds is allocated to a federal or state trustee agency.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City and County of San Francisco.

~~Existing law, the Subdivision Map Act, provides that the procedures set forth in that act govern the processing, approval, conditional approval or disapproval and filing of tentative, final, and parcel maps and the modification thereof, and specifies that local ordinances may modify these procedures, as specified.~~

~~This bill would make a technical, nonsubstantive change to this provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 **SECTION 1.** *Section 53395.8 of the Government Code is*
2 *amended to read:*

3 53395.8. (a) This section applies only to the City and County
4 of San Francisco, and to any waterfront district.

5 (b) In addition to the findings and declarations in Section 53395,
6 the Legislature further finds and declares that providing the ability
7 to capture property tax increment revenues to finance needed public
8 facilities in waterfront lands in San Francisco that are subject to
9 the public trust to the public agencies with the responsibility to
10 administer those areas will further the objectives of the public trust
11 and enjoyment of those trust lands by the people of the state.

12 (c) For purposes of this section, the following terms have the
13 following meanings except as otherwise provided:

14 (1) “Affected taxing entity” means any governmental taxing
15 agency, except San Francisco and its local educational agencies,
16 that levied or had levied on its behalf a property tax on all or a
17 portion of the land located in the proposed district in the fiscal
18 year prior to the designation of the district, all or a portion of which
19 the district proposes to collect in the future under its infrastructure
20 financing plan, *except as provided in subdivision (h).*

21 (2) “Base year” means the fiscal year ~~during which any~~
22 ~~infrastructure financing plan adopted under this chapter becomes~~
23 ~~effective in which taxable property in the district was last equalized~~
24 ~~prior to the effective date of the ordinance adopted to create the~~
25 ~~district, or a subsequent fiscal year specified in the infrastructure~~
26 ~~financing plan for the district.~~

27 (3) “Board” means the Board of Supervisors of the City and
28 County of San Francisco, which shall be the legislative body for
29 any district formed under this section.

30 (4) “Debt” means loans, advances, or other forms of
31 indebtedness and financial obligations, including, but not limited
32 to, commercial paper, variable rate demand notes, all moneys
33 payable in relation to the debt, and all debt service coverage
34 requirements in any debt instrument, in addition to the obligations
35 specified in the definition of “debt” in Section 53395.1.

36 (5) “District” means any district created under this chapter,
37 including any project area within a district.

(6) “ERAF” means the Educational Revenue Augmentation Fund.

(7) “ERAF-secured debt” means debt incurred to finance a Pier 70 district subject to a Pier 70 enhanced financing plan that is secured by and will be repaid from the ERAF share.

(8) “ERAF share” means the county ERAF portion of incremental tax revenue committed to a Pier 70 district under a Pier 70 enhanced financing plan.

(9) “Local educational agencies” means, collectively, the San Francisco Unified School District, the San Francisco Community College District, and the San Francisco County Office of Education.

(10) “Mirant site” means the San Francisco waterfront land owned by Mirant Corporation, on which it or its affiliate formerly operated a coal gasification powerplant.

(11) “Pier 70 district” means a waterfront district that includes 65 acres of waterfront land in the area near Pier 70.

(12) “Pier 70 enhanced financing plan” means an infrastructure district financing plan for a Pier 70 district that contains a provision authorized under subparagraph (D) of paragraph (3) of subdivision (g).

(13) “Port” means the Port of San Francisco.

(14) “Project area” means a defined area designated for development within a waterfront district formed under this chapter in accordance with subdivision (g).

(15) “Public facilities” means facilities and, where the context requires, related services, authorized to be financed in ~~any~~ *whole or in part* by a district formed under this chapter in accordance with subdivision (g). *Except as provided, the facilities financed may be publicly owned or privately owned if they are available to or serve the general public. “Public facilities” includes any capital facility fees used to pay for public facilities.*

(16) “San Francisco” means the City and County of San Francisco. For purposes of applying this chapter, San Francisco is a city.

(17) “Waterfront district” means a district formed under this chapter on land under port jurisdiction along the San Francisco waterfront and any special waterfront district as defined in Section 53395.81.

1 (18) “Waterfront set aside” means the restricted funds required
2 to be set aside under clause (ii) of subparagraph (C) of paragraph
3 (3) of subdivision (g).

4 (19) “County tax collector” means the county auditor-controller,
5 tax collector, or other officer responsible for the payment of
6 property taxes into the funds of taxing entities.

7 (d) In addition to the facilities and services authorized by Section
8 53395.3, a waterfront district may finance any of the following:

9 (1) Remediation of hazardous materials in, on, under, or around
10 any real or tangible property.

11 (2) Seismic and life-safety improvements to existing buildings.

12 (3) Rehabilitation, restoration, and preservation of structures,
13 buildings, or other facilities having special historical, architectural,
14 or aesthetic interest or value and that are listed on the National
15 Register of Historic Places, are eligible for listing on the National
16 Register of Historic Places individually or because of their location
17 within an eligible registered historic district, or are listed on a state
18 or local register of historic landmarks.

19 (4) Structural repairs and improvements to piers, seawalls, and
20 wharves.

21 (5) Removal of bay fill.

22 (6) Stormwater management facilities, other utility
23 infrastructure, or public open-space improvements.

24 (7) Shoreline restoration.

25 (8) Other repairs and improvements to maritime facilities.

26 (9) Planning and design work that is directly related to any
27 public facilities authorized to be financed by a waterfront district.

28 ~~(10) Reimbursement payments made to the California~~
29 ~~Infrastructure and Economic Development Bank in accordance~~
30 ~~with paragraph (5) of subdivision (d) of Section 53395.81.~~

31 *(10) Improvements, which may be privately or publicly owned,*
32 *to protect against potential sea level rise.*

33 (e) A waterfront district may include, and finance public
34 facilities on, tidelands and submerged lands, including filled or
35 unfilled lands, subject to the public trust for commerce, navigation,
36 and fisheries, and the applicable statutory trust grant or grants.
37 Public facilities located on tidelands and submerged lands shall
38 serve and promote uses and purposes consistent with the public
39 trust and applicable statutory trust grants. Public facilities that
40 increase access to, or the use or enjoyment of, public trust lands

1 will be deemed to be facilities of communitywide significance that
2 provide significant benefits to an area larger than the area of the
3 district.

4 (f) Public facilities financed by a waterfront district shall be
5 public trust assets subject to the administration and control of the
6 district, except for the following:

7 (1) Utility infrastructure and public transportation facilities,
8 except maritime transportation facilities that are administered and
9 controlled by another entity under an agreement with the port.

10 (2) Public facilities on land located in a previously formed
11 waterfront district that the port subsequently leases, sells, or
12 otherwise transfers to any person free of the public trust, the Burton
13 Act trust, and any additional restrictions on use or alienability
14 created by the Burton Act transfer agreement, provided that the
15 State Lands Commission has concurred in the lifting of trust
16 restrictions on the transferred land and that the transferred land
17 will remain in and subject to the district.

18 (g) For a waterfront district, the requirements of this subdivision
19 supplant and replace the provisions of Sections 53395.10 to
20 53395.25, inclusive. The board may adopt or amend one or more
21 infrastructure financing plans for districts along the San Francisco
22 waterfront according to the procedures in this section. Except as
23 provided otherwise in this subdivision or in Section 53395.81, the
24 provisions of subdivisions (a) and (b) of Section 53395.4 shall not
25 apply to a waterfront district. A waterfront district may be formed
26 and become effective at any time. A district may be divided into
27 project areas, each of which may be subject to distinct time
28 limitations established under this subdivision.

29 (1) The board shall initiate proceedings for the establishment
30 of a district by adopting a resolution of intention to establish the
31 proposed district that does all of the following:

32 (A) States an infrastructure financing district is proposed to be
33 established and describes the boundaries of the proposed district.
34 The boundaries may be described by reference to a map on file in
35 the office of the clerk of the board.

36 (B) States the type of public facilities proposed to be financed
37 by the district.

38 (C) States that incremental property tax revenue from San
39 Francisco and some or all affected taxing entities within the district,
40 but none of the local educational agencies, *except as provided in*

1 *subdivision (h) or as a result of the allocation of the ERAF share,*
2 may be used to finance these public facilities.

3 (D) Directs the executive director of the port, or an appropriate
4 official designated by the executive director, to prepare a proposed
5 infrastructure financing plan.

6 (2) The board shall direct the city clerk to mail a copy of the
7 resolution of intention to any affected taxing entities.

8 (3) The proposed infrastructure financing plan shall be consistent
9 with the general plan of San Francisco, as amended from time to
10 time, and shall include all of the following:

11 (A) A map and legal description of the proposed district, which
12 may include all or a portion of the district designated by the board
13 in its resolution of intention.

14 (B) A description of the public ~~improvements and~~ facilities
15 required to serve the development proposed in the district,
16 including those to be provided by the private sector, those to be
17 provided by governmental entities without assistance under this
18 chapter, those public facilities to be financed with assistance from
19 the proposed district, and those to be provided jointly. The
20 description shall include the proposed location, timing, and
21 projected costs of the public ~~improvements and~~ facilities.

22 (C) A financing section that shall contain all of the following:

23 (i) A provision that specifies the maximum portion of the
24 incremental tax revenue of San Francisco and of any affected
25 taxing entity proposed to be committed to the district, and affirms
26 that the plan will not allocate any portion of the incremental tax
27 revenue of the local educational agencies to the district.

28 (ii) Limitations on the use of levied taxes allocated to and
29 collected by the district that provide that, *except as provided by*
30 *this section or Section 53395.81*, incremental tax revenues allocated
31 to a district must be used within the district for purposes authorized
32 under this section, and that not less than 20 percent of the amount
33 allocated to a district shall be set aside to be expended solely on
34 shoreline restoration, removal of bay fill, or waterfront public
35 access to or environmental remediation of the San Francisco
36 waterfront.

37 (iii) A projection of the amount of incremental tax revenues
38 expected to be received by the district, assuming a ~~period of 45~~
39 ~~years beginning on the date on which~~ *district receives incremental*
40 *tax revenues for a period no later than 45 years after San Francisco*

1 projects that the district will have received one hundred thousand
2 dollars (\$100,000) in incremental tax revenues under this chapter.

3 (iv) Projected sources of financing for the public facilities to be
4 assisted by the district, including debt to be repaid with incremental
5 tax revenues, projected revenues from future leases, sales, or other
6 transfers of any interest in land within the district, and any other
7 legally available sources of funds.

8 (v) A limitation on the *aggregate* number of dollars of levied
9 taxes that may be divided and allocated to the district. Taxes shall
10 not be divided or be allocated to the district beyond this limitation,
11 except by amendment of the infrastructure financing plan pursuant
12 to the procedures in this subdivision. *In the event San Francisco*
13 *divides a district into project areas, the project areas may share*
14 *this limit and the limit may be divided among the project areas or*
15 *a separate limit may be established for a project area.*

16 (vi) A date on which the effectiveness of the infrastructure
17 financing plan and all tax allocations to the district will end and a
18 ~~time limit on~~ *date on which* the district's authority to repay
19 indebtedness with incremental tax revenues received under this
20 chapter *will end*, not to exceed 45 years from the date the district
21 has actually received one hundred thousand dollars (\$100,000) in
22 incremental tax revenues under this chapter. After the time limits
23 established under this subparagraph, a district shall not receive
24 incremental tax revenues under this chapter.

25 (vii) An analysis of the costs to San Francisco for providing
26 facilities and services to the district while the district is being
27 developed and after the district is developed, and of the taxes, fees,
28 charges, and other revenues expected to be received by San
29 Francisco as a result of expected development in the district.

30 (viii) An analysis of the projected fiscal impact of the district
31 and the associated development upon any affected taxing entity.
32 If no affected taxing entities exist within the district because the
33 plan does not provide for collection by the district of any portion
34 of property tax revenues allocated to any taxing entity other than
35 San Francisco, the district has no obligation to any other taxing
36 entity under this subdivision.

37 (ix) A statement that the district will maintain accounting
38 procedures in accordance, and otherwise comply, with Section
39 6306 of the Public Resources Code for the term of the plan.

1 (D) For a Pier 70 district only, the Pier 70 enhanced financing
2 plan may contain a provision meeting the requirements of Section
3 53396 that allocates a portion of the incremental tax revenue of
4 San Francisco and of other designated affected taxing entities to
5 the Pier 70 district.

6 The portion of incremental tax revenue of San Francisco to be
7 allocated to the Pier 70 district must be equal to the portion of the
8 incremental tax revenue of the county ERAF proposed to be
9 committed to the Pier 70 district. In addition to all other
10 requirements under this section, a Pier 70 district shall also be
11 subject to the following additional limitations:

12 (i) A Pier 70 district subject to a Pier 70 enhanced financing
13 plan shall not be formed and become effective prior to January 1,
14 2014.

15 (ii) Any Pier 70 enhanced financing plan shall contain all of the
16 following:

17 (I) A time limit on *the issuance of* new ERAF-secured debt to
18 finance the district, which may not exceed 20 fiscal years from the
19 fiscal year in which any Pier 70 district subject to a Pier 70
20 enhanced financing plan first issues debt. The ERAF-secured debt
21 may be repaid over the period of time ending on the time limit
22 established under clause (vi) of subparagraph (C). This time limit
23 on *the issuance of* new ERAF-secured debt shall not prevent a Pier
24 70 district from subsequently refinancing, refunding, or
25 restructuring ERAF-secured debt if ~~the debt is not increased and~~
26 ~~the time during which the debt is to be repaid is not extended~~
27 ~~beyond the time limit established under clause (vi) of subparagraph~~
28 ~~(C)~~ *all of the following conditions are met: the time during which*
29 *the debt is to be repaid is not extended beyond the time limit*
30 *established under clause (vi) of subparagraph (C); in the case of*
31 *a refinancing or refunding to achieve savings, the total interest*
32 *cost to maturity on the new debt plus the principal amount of the*
33 *new debt does not exceed the total interest cost to maturity on the*
34 *debt to be refunded plus the principal of the debt to be refunded;*
35 *and the principal amount of the new debt does not exceed the*
36 *amount required to defease the debt to be refunded, refinanced or*
37 *restructured, to establish customary debt service reserves and to*
38 *pay related costs of issuance. If these conditions are satisfied, the*
39 *initial principal amount of the new debt may be greater than the*

1 *outstanding principal amount of the debt to be refunded,*
2 *refinanced, or restructured.*

3 (II) A statement that the Pier 70 district shall be subject to a
4 limitation on the number of dollars of the ERAF share that may
5 be divided and allocated to the Pier 70 district pursuant to the Pier
6 70 enhanced financing plan, including any amendments to the
7 plan, which shall be established in consultation with the county
8 auditor. This limitation and a schedule specifying the amount of
9 the ERAF share that must be divided and allocated to the district
10 in each succeeding fiscal year until all ERAF-secured debt has
11 been paid shall be included in the statement of indebtedness that
12 the Pier 70 district files for the 19th fiscal year after the fiscal year
13 in which any ERAF-secured debt is first issued. The ERAF share
14 shall not be divided and shall not be allocated to the Pier 70 district
15 beyond that limitation.

16 (III) The limitations established by subclauses (I) and (II) may
17 be amended only by amendment of this section. When the
18 ERAF-secured debt, if any, has been paid, all moneys thereafter
19 allocated to the ERAF share shall be paid into ERAF as taxes on
20 all other property are paid. In addition, beginning in the 21st fiscal
21 year after the fiscal year in which ERAF-secured debt is first
22 issued, any portion of the ERAF share in excess of the amount
23 required to meet the Pier 70 district's ERAF-secured debt service
24 obligations shall be paid into ERAF.

25 (4) The proposed infrastructure financing plan shall be mailed
26 to each affected taxing entity for review, together with, *the extent*
27 *available*, any report required by the California Environmental
28 Quality Act (Division 13 (commencing with Section 21000) of
29 the Public Resources Code) that pertains to the proposed public
30 facilities and any proposed development project for which the
31 public facilities are needed, and shall be made available for public
32 inspection. The report also shall be sent to the San Francisco
33 Planning Department and the board.

34 (5) Except as provided in subdivision ~~(i)~~ (h) *and except as a*
35 *result of an ERAF share allocation*, the board shall not enact a
36 resolution proposing formation of a district and providing for the
37 division of taxes of any affected taxing entities for use in the Pier
38 70 district as set forth in the proposed infrastructure financing plan
39 unless a resolution approving the plan has been adopted by the
40 governing body of each affected taxing entity that is proposed to

1 be subject to division of taxes as set forth in the proposed
2 infrastructure financing plan, and that resolution has been filed
3 with the board at or prior to the time of the hearing. A resolution
4 approving the plan adopted by the governing body of an affected
5 taxing entity shall be deemed the affected taxing entity's agreement
6 to participate in the plan for the purposes of Section 53395.19.

7 (6) If the governing body of an affected taxing entity has not
8 approved the infrastructure financing plan before the board
9 considers the plan, the board may amend the infrastructure
10 financing plan to remove the allocation of the tax revenues of the
11 nonconsenting affected taxing entity. If a plan is so amended, the
12 plan also ~~shall~~ *may* be amended to provide that San Francisco will
13 allocate to the Pier 70 district funds equal on a dollar-for-dollar
14 basis to the tax revenues that the Pier 70 district would have
15 received from the allocation of tax revenues of the affected taxing
16 entity that is removed from the plan.

17 (7) The board shall hold a public hearing regarding the
18 infrastructure financing plan that shall be scheduled on a date no
19 earlier than 60 days after the plan has been sent to each affected
20 taxing entity, or in the absence of any affected taxing entities, no
21 earlier than 30 days after the plan has been lodged with the clerk
22 of the board. Notice of the public hearing must be published not
23 less than once a week for four successive weeks in a newspaper
24 designated by the board for the publication of official notices in
25 San Francisco, or if the board no longer designates a newspaper
26 for the publication of official notices, a newspaper of general
27 circulation serving primarily San Francisco residents. The notice
28 shall state that the district will be established to finance public
29 facilities, briefly describe the public facilities and the proposed
30 financial arrangements, including the proposed commitment of
31 incremental tax revenue, describe the boundaries of the proposed
32 district, and state the day, hour, and place when and where any
33 persons having any objections to the proposed infrastructure
34 financing plan, or the regularity of any of the previous proceedings,
35 may appear before the board and object to the adoption of the
36 proposed infrastructure financing plan by the board.

37 (8) At the hour set in the required notices, the board shall
38 proceed to hear and pass upon all written and oral objections. The
39 hearing may be continued from time to time. The board shall
40 consider any recommendations of affected taxing entities, and all

1 evidence and testimony for and against the adoption of the
2 infrastructure financing plan.

3 (9) No election will be required to form the district, and at the
4 conclusion of the hearing, the board may adopt an ordinance
5 adopting the infrastructure financing plan, as drafted or as modified
6 by the board, or it may abandon the proceedings.

7 (10) Any public or private owner of land that is not within an
8 existing district, but that has any boundary line contiguous to a
9 boundary of the waterfront district, may petition the board for
10 inclusion of the land in the waterfront district without an election.

11 *The annexation shall take effect on the effective date of the*
12 *ordinance of the board's annexation approval.* As a condition to
13 inclusion of its land in the waterfront district, the petitioning
14 landowner shall acknowledge and agree that any portion of the
15 land within 100 feet of the San Francisco Bay Conservation and
16 Development Commission shoreline (shoreline band) will include
17 contiguous public access along the length of the shoreline band,
18 improved and maintained to standards equal to adjacent waterfront
19 public access ways on public land, as certified by the San Francisco
20 Bay Conservation and Development Commission. Nothing in this
21 section is intended to affect or limit the authority of the San
22 Francisco Bay Conservation and Development Commission
23 pursuant to Chapter 1 (commencing with Section 66600) of Title
24 7.2, or any other law. This procedure will apply to any petition to
25 include the Mirant site in the Pier 70 district, but the board may
26 amend the Pier 70 financing plan to include the Mirant site in the
27 Pier 70 district only after the Director of Finance's approval.

28 (11) The ordinance creating a district and adopting or amending
29 an infrastructure financing plan shall establish the base year for
30 the district. ~~The board may amend an infrastructure financing plan~~
31 ~~by ordinance to divide an established district into one or more~~
32 ~~project areas, to reduce the district area, or, to expand a waterfront~~
33 ~~district to include the petitioning landowner's land in the district~~
34 ~~in accordance with the board's established procedures. Any~~
35 ~~ordinance adopting or amending an infrastructure financing plan~~
36 ~~will be deemed an ordinance adopted for the purposes of Section~~
37 ~~53395.23. The base year of land annexed into a district shall be~~
38 ~~the fiscal year in which the assessed value of the annexed land~~
39 ~~was last equalized prior to the effective date of the annexation, or~~
40 ~~a subsequent fiscal year specified in the ordinance of the board~~

1 *approving the annexation. The board may amend an infrastructure*
2 *financing plan by ordinance for any purpose, including, but not*
3 *limited to, dividing an established district into one or more project*
4 *areas, reducing the district area, or expanding a waterfront district*
5 *to include the petitioning landowner's land in the district in*
6 *accordance with the board's established procedures. Any*
7 *ordinance adopting or amending an infrastructure financing plan*
8 *will be deemed an ordinance adopted for the purposes of Section*
9 *53395.23.*

10 (12) With respect to a waterfront district, San Francisco may
11 enter into an agreement for the construction of discrete portions
12 or phases of facilities. The agreement may include any provisions
13 that San Francisco determines are necessary or convenient, but
14 shall do all of the following:

15 (A) Identify the specific facilities or discrete portions or phases
16 of facilities to be constructed and purchased. San Francisco may
17 agree to purchase discrete portions or phases of facilities if the
18 portions or phases are capable of serviceable use as determined
19 by San Francisco.

20 (B) Notwithstanding subparagraph (A), when the purchase value
21 of a facility exceeds one million dollars (\$1,000,000), San
22 Francisco may agree to purchase discrete portions or phases of the
23 partially completed facility.

24 (C) Identify procedures to ensure that the facilities are
25 constructed pursuant to plans, standards, specifications, and other
26 requirements as determined by San Francisco.

27 (D) Specify a price or a method to determine a price for each
28 facility or discrete portion or phase of a facility. The price may
29 include an amount reflecting the interim cost of financing cash
30 payments that must be made during construction of the project, at
31 the discretion of San Francisco.

32 (E) Specify procedures for final inspection and approval of
33 facilities or discrete portions or phases of facilities, for approval
34 of payment and for acceptance and conveyance.

35 (h) (1) All the amounts calculated under this subdivision shall
36 be calculated after deducting the waterfront set-aside required
37 under paragraph (3) of subdivision (c) of Section 53395.81, as
38 applicable, from the total amount of tax increment funds allocated
39 to a district in the applicable fiscal year. The payments made by
40 *the county tax collector* under this subdivision to the affected taxing

1 entities shall be allocated among the affected taxing entities in
2 proportion to the percentage share of property taxes each affected
3 taxing entity receives during the fiscal year the funds are allocated.
4 The percentage share shall be determined without regard to any
5 amounts allocated to a city, county, or city and county under
6 Sections 97.68 and 97.70 of the Revenue and Taxation Code.

7 (2) (A) Prior to incurring any debt, except loans or advances
8 from San Francisco, a district may subordinate to the debt the
9 amount required to be paid *by the county tax collector* to an
10 affected taxing entity under this subdivision, if any, provided the
11 affected taxing entity has approved these subordinations as
12 provided in this paragraph.

13 (B) At the time the district requests an affected taxing entity to
14 subordinate the amount to be paid *by the county tax collector* to
15 it, the district shall provide the affected taxing entity with
16 substantial evidence that sufficient *tax increment* funds will be
17 available to pay when due both the debt service on the debt and
18 the payments *by the county tax collector* to the affected taxing
19 entity required under this subdivision.

20 (C) Within 45 days after receipt of the district's request, the
21 affected taxing entity shall approve or disapprove the request for
22 subordination. An affected taxing entity may disapprove a request
23 for subordination only if it finds, based upon substantial evidence,
24 that ~~the district will not be able~~ *tax increment funds will be*
25 *insufficient* to pay when due the debt payments and the amount
26 required to be paid *by the county tax collector* to the affected taxing
27 entity. If the affected taxing entity does not act within 45 days after
28 receipt of the district's request, the request to subordinate shall be
29 deemed approved and its deemed approval shall be final and
30 conclusive.

31 (D) For the purpose of this paragraph only, "affected taxing
32 entity" shall mean any governmental agency that levied, or had
33 levied on its behalf, a property tax on all or a portion of the land
34 located in the proposed district in the fiscal year prior to the
35 designation of the special waterfront district.

36 (3) The Legislature finds and declares all of the following:

37 (A) The payments to be made under this subdivision are
38 necessary in order to alleviate the financial burden and detriment
39 that affected taxing entities may incur as a result of the adoption

1 of an infrastructure financing plan, and payments made under this
2 subdivision will benefit the district.

3 (B) The payments to be made under this subdivision are the
4 exclusive payments that are required to be made by a district to
5 affected taxing entities during the term of an infrastructure
6 financing plan.

7 (4) Nothing in this section requires a district, either directly or
8 indirectly, as a measure to mitigate a significant environmental
9 effect or as part of any settlement agreement or judgment brought
10 in any action to contest the validity of a district under Section
11 53395.6, to make any other payments to affected taxing entities,
12 or to pay for public facilities that will be owned or leased to an
13 affected taxing entity.

14 (i) The portion of taxes required to be allocated to the Pier 70
15 district under a duly adopted infrastructure financing plan shall be
16 allocated and paid to the district by the county ~~auditor or officer~~
17 ~~responsible for the payment of taxes into the funds of the respective~~
18 ~~taxing entities~~ *tax collector* under the procedure contained in this
19 subdivision. If the approved plan allocates to the Pier 70 district
20 100 percent of the incremental tax revenue of San Francisco that
21 is available under applicable law to be allocated to the Pier 70
22 district, then the district shall not make a payment to ERAF, but
23 if the plan allocates less than 100 percent of the incremental tax
24 revenue of San Francisco that is available under applicable law to
25 be allocated to the Pier 70 district, then the district shall pay a
26 proportionate share of incremental tax revenue into ERAF.

27 (1) No later than October 1 of each year, for each district for
28 which the infrastructure financing plan provides for the division
29 of taxes, the district shall file with the county auditor or officer a
30 statement of indebtedness and a reconciliation statement for the
31 previous fiscal year certified by the chief financial officer of the
32 district.

33 (2) Each statement of indebtedness shall contain all of the
34 following:

35 (A) For each debt the district has incurred or entered into, all
36 of the following:

37 (i) The date the district incurred or entered into the debt.

38 (ii) The principal amount, term, purpose, interest rate, and total
39 interest payable over the term of the debt.

1 (iii) The principal amount and interest due in the fiscal year in
2 which the statement is filed.

3 (iv) The total amount of principal and interest remaining to be
4 paid over the term of the debt.

5 (B) The sum of the principal and interest due on all debts in the
6 fiscal year in which the statement is filed.

7 (C) The sum of principal and interest remaining to be paid on
8 all debts.

9 (D) The available revenues as of the end of the previous fiscal
10 year.

11 (3) The district may estimate the amount of principal or interest,
12 the interest rate, or term of any debt if the nature of the debt is
13 such that the amount of principal or interest, the interest rate, or
14 term cannot be precisely determined. The district may list on a
15 statement of indebtedness any debt incurred or entered into on or
16 before the date the statement is filed.

17 (4) Each reconciliation statement shall include all of the
18 following:

19 (A) A list of all debts listed on the previous year's statement of
20 indebtedness, if any.

21 (B) A list of all debts not listed on the previous year's statement
22 of indebtedness, but incurred or entered into in the previous year
23 and paid in whole or in part from incremental tax revenue received
24 by the district. This listing may aggregate into a single item debts
25 incurred or entered into in the previous year for a particular
26 purpose, such as relocation expenses, administrative expenses,
27 consultant expenses, or remediation of hazardous materials.

28 (C) For each debt described in subparagraph (A) or (B), all of
29 the following shall be included:

30 (i) The total amount of principal and interest remaining to be
31 paid as of the later of the beginning of the previous year or the
32 date the debt was incurred or entered into.

33 (ii) Any increases or additions to the debt occurring during the
34 previous year.

35 (iii) The amount paid on the debt in the previous year from
36 incremental tax revenue received by the district.

37 (iv) The amount paid on the debt in the previous year from
38 revenue other than incremental tax revenue received by the district.

39 (v) The total amount of principal and interest remaining to be
40 paid as of the end of the previous fiscal year.

1 (D) The available revenues of the district as of the beginning
2 of the previous fiscal year.

3 (E) The amount of incremental tax revenue received by the
4 district in the previous fiscal year.

5 (F) The amount of available revenue received by the district in
6 the previous fiscal year other than incremental tax revenue.

7 (G) The sum of the amounts paid on all debts from sources other
8 than incremental tax revenue, to the extent that the amounts are
9 not included as available revenues under subparagraph (F).

10 (H) The sum of the amounts specified in subparagraphs (D) to
11 (G), inclusive.

12 (I) The sum of the amounts specified in clauses (iii) and (iv) of
13 subparagraph (C) of paragraph (4).

14 (J) The amount determined by subtracting the amount
15 determined under subparagraph (I) from the amount determined
16 under subparagraph (H). The amount determined under this
17 paragraph shall be the available revenues as of the end of the
18 previous fiscal year to be reported in the statement of indebtedness.

19 (5) For the purposes of this paragraph, available revenues shall
20 include all cash or cash equivalents held by the district that were
21 received by the district under subparagraph (D) of paragraph (3)
22 of subdivision (g) and all cash or cash equivalents held by the
23 district that are irrevocably pledged or restricted to payment of a
24 debt that the district has listed on a statement of indebtedness. In
25 no event shall available revenues include funds allocated to the
26 waterfront set aside.

27 (6) For the purposes of this subdivision: (A) the amount a district
28 is required to deposit into the waterfront set aside shall constitute
29 an indebtedness of the district, (B) no debt that a district intends
30 to pay from the waterfront set aside shall be listed on a statement
31 of indebtedness or reconciliation statement as a debt of the district,
32 and (C) any statutorily authorized deficit in or borrowing from
33 funds in the waterfront set aside shall constitute an indebtedness
34 of the district.

35 (7) The county auditor or officer shall allocate and pay, at the
36 same time or times as the payment of taxes into the funds of the
37 respective taxing agencies of the county, the portion of incremental
38 tax revenues allocated to each district under the infrastructure
39 financing plan. The amount allocated and paid shall not exceed
40 the amount of the district's remaining debt obligations, as

1 determined under subparagraph (C) of paragraph (2), minus the
2 amount of available revenues as of the end of the previous fiscal
3 year, as determined under subparagraph (D) of paragraph (2).

4 (8) The statement of indebtedness constitutes prima facie
5 evidence of the debts of the district.

6 (A) If the county auditor or other officer disputes the amount
7 of the district's debts as shown on the statement of indebtedness,
8 the county auditor or other officer, within 30 days after receipt of
9 the statement, shall give written notice to the district thereof.

10 (B) The district, within 30 days after receipt of notice under
11 subparagraph (A), shall submit any further information it deems
12 appropriate to substantiate the amount of any debt that has been
13 disputed. If the county auditor or other officer still disputes the
14 amount of debt, final written notice of that dispute shall be given
15 to the district, and the amount disputed may be withheld from
16 allocation and payment to the district as otherwise required by
17 paragraph (7). In that event, the auditor or other officer shall bring
18 an action in the superior court for declaratory relief to determine
19 the matter no later than 90 days after the date of the final notice.

20 (C) In any court action brought under this paragraph, the issue
21 shall involve only the amount of debt, and not the validity of any
22 contract or debt instrument or any expenditures pursuant thereto.
23 Payments to a trustee under a bond resolution or indenture of any
24 kind or payments to a public agency in connection with payments
25 by that public agency under a lease or bond issue shall not be
26 disputed in any action under this paragraph. The matter shall be
27 set for trial at the earliest possible date and shall take precedence
28 over all other cases except older matters of the same character.
29 Unless an action is brought within the time provided for herein,
30 the auditor or other officer shall allocate and pay the amount shown
31 on the statement of indebtedness as provided in paragraph (7).

32 (D) Nothing in this subdivision shall be construed to permit a
33 challenge to or attack on matters precluded from challenge or
34 attack by reason of Sections 53395.6 and 53395.7. However,
35 nothing in this subdivision shall be construed to deny a remedy
36 against the district otherwise provided by law.

37 (E) The Controller shall prescribe uniform forms consistent
38 with this subdivision for a district's statement of indebtedness and
39 reconciliation statement. In preparing these forms, the Controller

1 shall obtain the input of the San Francisco City Controller, the San
2 Francisco Tax Collector, and the district.

3 (F) For the purposes of this subdivision, a fiscal year shall be a
4 year that begins on July 1 and ends the following June 30.

5 (j) (1) Prior to the adoption by the board of an infrastructure
6 financing plan providing for tax increment financing under
7 subparagraph (D) of paragraph (3) of subdivision (g), any affected
8 taxing entity may elect to be allocated, and every local educational
9 agency shall be allocated, all or any portion of the tax revenues
10 allocated to the district under subparagraph (D) of paragraph (3)
11 of subdivision (g) attributable to increases in the rate of tax
12 imposed for the benefit of the taxing entity which levy occurs after
13 the tax year in which the ordinance adopting the infrastructure
14 financing plan becomes effective.

15 (2) The governing body of any affected taxing entity electing
16 to receive allocation of taxes under this subdivision shall adopt a
17 resolution to that effect and transmit the same, prior to the adoption
18 of the infrastructure financing plan, to (A) the board, (B) the
19 district, and (C) the official or officials performing the functions
20 of levying and collecting taxes for the affected taxing entity. Upon
21 receipt by the official or officials of the resolution, allocation of
22 taxes under this section to the affected taxing entity shall be made
23 at the time or times allocations are made under subdivision (a) of
24 Section 33670 of the Health and Safety Code.

25 (3) An affected taxing entity, at any time after the adoption of
26 the resolution, may elect not to receive all or any portion of the
27 additional allocation of taxes under this section by rescinding the
28 resolution or by amending the same, as the case may be, and giving
29 notice thereof to the board, the district, and the official or officials
30 performing the functions of levying and collecting taxes for the
31 affected taxing entity. After receipt of a notice by the official or
32 officials that an affected taxing entity has elected not to receive
33 all or a portion of the additional allocation of taxes by rescission
34 or amendment of the resolution, any allocation of taxes to the
35 affected taxing entity required to be made under this section shall
36 not thereafter be made but shall be allocated to the district. After
37 receipt of a notice by the official or officials that an affected taxing
38 entity has elected to receive additional tax revenues attributable
39 to only a portion of the increases in the rate of tax, only that portion
40 of the tax revenues shall thereafter be allocated to the affected

1 taxing entity, and the remaining portion thereof shall be allocated
2 to the district.

3 (k) This section implements and fulfills the intent of Article 2
4 (commencing with Section 53395.10) and of Article XIII B and
5 is consistent with the conclusion of California courts that tax
6 increment revenues are not “proceeds of taxes” for purposes of
7 the latter. The allocation and payment to a district of the portion
8 of taxes specified in this section for the purpose of paying principal
9 of, or interest on, loans, advances, or indebtedness incurred for
10 facilities or the cost of acquisition and construction of facilities
11 under this section shall not be deemed the receipt by a district of
12 proceeds of taxes levied by or on behalf of the district within the
13 meaning or for the purposes of Article XIII B of the California
14 Constitution, nor shall this portion of taxes be deemed receipt of
15 proceeds of taxes by, or an appropriation subject to limitation of,
16 any other public body within the meaning or for purposes of Article
17 XIII B of the California Constitution or any statutory provision
18 enacted in implementation of Article XIII B. The allocation and
19 payment to a district of this portion of taxes shall not be deemed
20 the appropriation by a district of proceeds of taxes levied by or on
21 behalf of a district within the meaning or for purposes of Article
22 XIII B of the California Constitution.

23 *SEC. 2. Section 53395.81 of the Government Code is amended*
24 *to read:*

25 53395.81. (a) This section shall apply only to a special
26 waterfront district.

27 (b) A special waterfront district may be created as a waterfront
28 district pursuant to, and shall be subject to, all applicable
29 requirements of Sections 53395.3 and 53395.8, except as provided
30 in this section.

31 (c) (1) The special waterfront district ERAF share produced in
32 a Port America’s Cup district with a special waterfront district
33 enhanced financing plan shall be used only to finance the
34 following:

35 (A) Construction of the port’s maritime facilities at Pier 27.

36 (B) Planning and design work that is directly related to the port’s
37 maritime facilities at Pier 27.

38 ~~(C) Planning, design, and construction of improvements to~~
39 ~~publicly owned waterfront lands held by trustee agencies, such as~~
40 ~~the National Park Service and the California State Parks, and used~~

1 as public spectator viewing sites for America's Cup-related events,
2 including the San Francisco Bay Trail along the Marina Green.

3 (C) Planning, design, and acquisition and construction of
4 improvements to publicly owned waterfront lands held by trustee
5 agencies, such as the National Park Service, the California State
6 Parks, and departments of San Francisco, and used as public
7 spectator viewing sites for America's Cup-related events, including
8 portions of the San Francisco Bay Trail under the jurisdiction of
9 those trustee agencies. Any improvements authorized under this
10 subparagraph shall not be required to be in the district.

11 (D) Future installations of shoreside power facilities on port
12 maritime facilities.

13 (2) A special waterfront district enhanced financing plan for a
14 Port America's Cup district shall provide that the proceeds of
15 special waterfront district ERAF-secured debt are restricted for
16 use to finance directly, reimburse the port for its costs related to,
17 or refinance other debt incurred in, the construction of the port's
18 maritime facilities at Pier 27, including public access and public
19 open-space improvements, *and for any other purposes for which*
20 *the ERAF share can be used, subject to the set-aside requirements*
21 *of paragraph (3).*

22 (3) Twenty percent in the aggregate of the special waterfront
23 district ERAF share allocated to a Port America's Cup district
24 under this section shall be set aside to finance costs of
25 improvements to federally- or state-owned waterfront lands
26 approved by trustee agencies such as the National Park Service or
27 the California State Parks as provided in subparagraph (C) of
28 paragraph (1).

29 (4) The 20 percent set-aside requirements applicable to a special
30 waterfront district set forth in paragraph (3) are in lieu of the
31 set-aside requirement set forth in clause (ii) of subparagraph (C)
32 of paragraph (3) of subdivision (g) of Section 53395.8.

33 (5) *All improvements authorized by this section in a Port*
34 *America's Cup district shall be deemed to be public capital*
35 *facilities of communitywide significance, which provide significant*
36 *benefits to an area larger than the area of the district.*

37 ~~(d) (1) Before adopting the resolution authorizing the first debt~~
38 ~~issuance by a Port America's Cup district with a special waterfront~~
39 ~~district enhanced financing plan authorized by this section, the~~
40 ~~board of supervisors shall submit a fiscal analysis to the California~~

1 Infrastructure and Economic Development Bank for review and
2 approval.

3 (2) The bank may circulate the fiscal analysis to other state
4 agencies, including, but not limited to, the Department of Finance,
5 the Department of Housing and Community Development, and
6 the Office of Planning and Research, and solicit their comments
7 and recommendations. After considering the comments and
8 recommendations of other state agencies, if any, the bank shall
9 take one of the following actions:

10 (A) Approve the fiscal analysis if the bank makes the finding
11 required pursuant to paragraph (4).

12 (B) Return the fiscal analysis to the board of supervisors with
13 specific recommendations for changes that would allow the bank
14 to approve the fiscal analysis.

15 (3) The bank shall have 90 days from the receipt of the fiscal
16 analysis to act pursuant to this subdivision. If the bank does not
17 act within 90 days, the fiscal analysis shall be deemed approved.

18 (4) For bank approval, the fiscal analysis shall demonstrate to
19 the bank's reasonable satisfaction a reasonable probability that the
20 economic activity proposed to occur as a result of hosting the
21 America's Cup event in California would result in an amount of
22 revenue to the General Fund with a net present value that is greater
23 than the net present value of the amount of property tax increment
24 revenues that would be diverted from ERAF over the term of the
25 Port America's Cup district, taking into consideration all pertinent
26 data. In reviewing the board's fiscal analysis, the bank shall
27 consider only those General Fund revenues that would occur
28 because of economic activity proposed to occur as a result of
29 hosting the America's Cup event in California. The bank shall not
30 consider those General Fund revenues that would have occurred
31 if the America's Cup event were not held in California.

32 (5) The legislative body shall reimburse the bank for the
33 reasonable cost of the review and approval of the fiscal analysis.

34 (d) (1) *If any portion of the 20-percent set-aside funds described*
35 *in paragraph (3) of subdivision (c) is allocated to a federal or state*
36 *trustee agency, all of the following shall apply:*

37 (A) *The special waterfront district enhanced financing plan for*
38 *the Port America's Cup district shall specify the portion of the*
39 *20-percent set-aside funds described in paragraph (3) of*
40 *subdivision (c) that is allocated to any federal or state trustee*

1 agency. However, the trustee agency's proposed use of the
2 20-percent set-aside funds does not need to be described in the
3 special waterfront district enhanced financing plan pursuant to
4 subparagraph (B) of paragraph (3) of subdivision (g) of Section
5 53395.8.

6 (B) San Francisco shall direct the county auditor or officer
7 responsible for the payment of taxes into the funds of the respective
8 taxing entities to pay the 20-percent set-aside funds allocated to
9 the federal or state trustee agency directly to such trustee agency.

10 (C) The district shall not be required to report on a federal or
11 state trustee agency's use of the set-aside funds allocated to it
12 under this section in its annual statement of indebtedness pursuant
13 to subdivision (i) of Section 53395.8 or any other report required
14 pursuant to existing law. The district shall use commercially
15 reasonable efforts to enter into a contract with the federal or state
16 trustee agency under which the federal or state trustee agency will
17 agree to report to the California Infrastructure and Economic
18 Development Bank on an annual basis on its use of the 20-percent
19 set-aside funds, with the report to be submitted no later than 9
20 months after the end of each fiscal year in which the federal or
21 state trustee agency receives or spends 20-percent set-aside funds;
22 provided, however, that the failure by San Francisco to enter into
23 a contract with the federal or state trustee agency will not prevent
24 the allocation of 20-percent set-aside funds to the trustee agency
25 for the purposes specified in this section.

26 (2) If any proceeds of the special waterfront district
27 ERAF-secured debt described in paragraph (2) of subdivision (c)
28 is allocated to a federal or state trustee agency, the district shall,
29 within 90 days after issuance of the special waterfront district
30 ERAF-secured debt, report to the California Infrastructure and
31 Economic Development Bank about the use of the proceeds of the
32 special waterfront district ERAF-secured debt. The improvements
33 financed by the state or federal trustee agency must be described
34 in the special waterfront district enhanced financing plan pursuant
35 to subparagraph (B) of paragraph (3) of subdivision (g) of Section
36 53395.8. The district and the federal or state trustee agency shall
37 enter into a contract governing the use of the proceeds of the
38 special waterfront district ERAF-secured debt to the extent
39 required by bond counsel to the district in order to deliver an
40 unqualified bond counsel opinion.

1 (e) The county auditor or officer responsible for the payment
2 of taxes into the funds of the respective taxing entities shall allocate
3 and pay to a special waterfront district the portion of taxes required
4 to be allocated pursuant to an approved special waterfront district
5 enhanced financing plan. If the plan allocates 100 percent of the
6 incremental tax revenue of San Francisco that is available under
7 applicable law to be allocated to the special waterfront district,
8 then the special waterfront district shall not make a payment to
9 ERAF, but if the plan allocates less than 100 percent of the
10 incremental tax revenue of San Francisco that is available under
11 applicable law to be allocated to a special waterfront district then
12 the special waterfront district shall pay a proportionate share of
13 incremental tax revenue into ERAF. The special waterfront district
14 shall file a statement of indebtedness and a reconciliation statement
15 annually in the same manner as described in subdivision (i) of
16 Section 53395.8. It is the intent of this subdivision that any special
17 waterfront district shall be deemed to be a district formed pursuant
18 to subparagraph (D) of paragraph (3) of subdivision (g) of Section
19 53395.8 for purposes of allocation and payment of taxes by the
20 county auditor as set forth in subdivision (i) of Section 53395.8.

21 (f) This section implements and fulfills the intent of Article 2
22 (commencing with Section 53395.10) and of Article XIII B and is
23 consistent with the conclusion of California courts that tax
24 increment revenues are not “proceeds of taxes” for purposes of
25 the latter. The allocation and payment to a special waterfront
26 district of the special waterfront district ERAF share for the purpose
27 of paying principal of, or interest on, loans, advances, or
28 indebtedness incurred for facilities or the cost of acquisition and
29 construction of facilities under this section shall not be deemed
30 the receipt by the special waterfront district of proceeds of taxes
31 levied by or on behalf of the special waterfront district within the
32 meaning or for the purposes of Article XIII B of the California
33 Constitution, nor shall this portion of taxes be deemed the receipt
34 of proceeds of taxes by, or an appropriation subject to limitation
35 of, any other public body within the meaning or for purposes of
36 Article XIII B of the California Constitution or any statutory
37 provision enacted in implementation of Article XIII B. The
38 allocation and payment to a special waterfront district of this
39 portion of taxes shall not be deemed the appropriation by a special
40 waterfront district of proceeds of taxes levied by or on behalf of

1 a district within the meaning or for purposes of Article XIII B of
2 the California Constitution.

3 (g) For purposes of this section, the meanings set forth in
4 subdivision (c) of Section 53395.8 shall apply as appropriate, and
5 the following terms have the following meanings, except as
6 otherwise provided:

7 (1) “Port America’s Cup district” means a special waterfront
8 district in the City and County of San Francisco ~~designated as~~
9 ~~America’s Cup venues, excluding any venues within the Rincon~~
10 ~~Point-South Beach Redevelopment Project Area that includes one~~
11 ~~or more of Seawall Lot 330, Pier 19, Pier 23, and Pier 29.~~

12 (2) “Special waterfront district” means a waterfront district in
13 San Francisco that may comprise some or all of the America’s
14 Cup venues or potential venues.

15 (3) “Special waterfront district enhanced financing plan” means
16 an infrastructure financing plan for a special waterfront district
17 that contains a provision substantially similar to that authorized
18 for a Pier 70 district under subparagraph (D) of paragraph (3) of
19 subdivision (g) of Section 55395.8, with only those changes
20 deemed necessary by the legislative body of the special waterfront
21 district to implement the financing of the improvements described
22 in paragraph (1) of subdivision (c).

23 (4) “Special waterfront district ERAF-secured debt” means debt
24 incurred in accordance with a special waterfront district enhanced
25 financing plan that is secured by and will be repaid from the special
26 waterfront district ERAF share. For a Port America’s Cup district,
27 special waterfront district ERAF-secured debt includes the portion
28 of any debt that is payable from the special waterfront district
29 ERAF share as long as the same percentage of debt proceeds will
30 be used for the purposes authorized by paragraph (2) of subdivision
31 (c).

32 (5) (A) “Special waterfront ERAF share” means the county
33 ERAF portion of incremental tax revenue committed, as applicable,
34 to a special waterfront district under a special waterfront district
35 enhanced financing plan.

36 (B) Notwithstanding any other provision of this chapter, the
37 maximum amount of the county ERAF portion of incremental tax
38 revenues committed to a special waterfront district under this
39 section shall not exceed one million dollars (\$1,000,000) in any
40 fiscal year, *subject to adjustment each fiscal year, after the*

1 2011–12 fiscal year, by the amount of any percentage increase in
2 the assessed value of the taxable property in the special waterfront
3 district as shown upon the assessment roll used in connection with
4 the taxation of the property.

5 SEC. 3. The Legislature finds and declares that a special law
6 is necessary and that a general law cannot be made applicable
7 within the meaning of Section 16 of Article IV of the California
8 Constitution because of the unique circumstances of the City and
9 County of San Francisco. The facts constituting the special
10 circumstances are:

11 Areas of San Francisco, including the portions of the San
12 Francisco waterfront, are characterized by deteriorating conditions
13 that cannot be remedied by private investment alone, and require
14 the use of public financing mechanisms to finance the rectification
15 of the deteriorating conditions. In order to adapt the provisions
16 of law governing infrastructure financing districts to these unique
17 circumstances, this special act is necessary.

18 ~~SECTION 1. Section 66451 of the Government Code is~~
19 ~~amended to read:~~

20 ~~66451. The procedures set forth in this chapter shall govern~~
21 ~~the processing, approval, conditional approval or disapproval and~~
22 ~~filing of tentative, final and parcel maps and the modification~~
23 ~~thereof. Local ordinances may modify these procedures to the~~
24 ~~extent authorized by this chapter.~~